

Ranking Democrat, Committee on Ways and Means REP. SANDER M. LEVIN

Ranking Democrat, Subcommittee on Trade REP. XAVIER BECERRA

Member, Subcommittee on Trade

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# REPS. RANGEL, LEVIN AND BECERRA STATEMENT ON THE SIGNING OF THE U.S.-CENTRAL AMERICA FREE TRADE AGREEMENT

WASHINGTON – On May 28, 2004, the United States and five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua), will sign a free trade agreement (the "CAFTA"). Congressman Charles B. Rangel, Ranking Democrat on the Ways and Means Committee, Congressman Sandy Levin, Ranking Democrat on the Ways and Means Trade Subcommittee, and Congressman Xavier Becerra, a member of the Ways and Means Trade Subcommittee, issued the following statement:

"With the CAFTA agreement to be signed tomorrow, the Bush Administration shows it is not serious about increasing trade with Central America. If it were serious, it would have reached out to Congress -- to Democrats and Republicans -- and put together a bipartisan agreement. Instead the Bush Administration lost a major opportunity by negotiating an agreement that both Democrats and Republicans are avoiding. Thanks to the Bush Administration, this CAFTA is on a midnight train to nowhere – in an election year or any year

"The CAFTA agreement -- signed on the Friday afternoon before a holiday weekend -- presents a lost opportunity. Central America comprises developing countries that are our neighbors, with special economic and strategic importance for the United States. A free trade agreement with those countries represented a major opportunity and a key test to create jobs for workers and new opportunities for businesses and farmers in all our countries, to help bring people out of poverty, and to serve as a model for integration throughout the hemisphere.

"On a number of key issues, the CAFTA as negotiated by the Bush Administration fails these tests.

"We urged USTR to modify its position relating to access to medicines in the CAFTA countries. Unfortunately, the CAFTA negotiated by the Bush Administration includes a provision that will make it more difficult for Central American countries to get low-cost life-saving generic medicines to their citizens.

"From the beginning of the negotiations, key Democrats have made clear to USTR the need to address directly and effectively in the CAFTA the role of core, internationally-recognized labor standards (the rights to associate and bargain collectively, prohibitions on forced labor, discrimination, and child labor).

"The implementation in a nation of these standards is vital in several respects: (1) for workers in the CAFTA countries, who would no longer be suppressed and would have the chance to move up the economic ladder and out of poverty; (2) for the CAFTA countries, which have some of the highest levels of inequality in the world, helping them to develop and expand middle classes vital for sustained and strong economic development; (3) for workers and firms in the United States, who would no longer have to compete against firms that use suppression of workers as a tool of competition; and (4) for the United States more broadly, because as the CAFTA countries develop a middle consuming class, they will purchase more U.S. goods and services.

"The CAFTA negotiated by the Bush Administration instead adopts an 'enforce your own labor laws' standard. This standard is totally unacceptable when all of the analyses of the realities within the CAFTA countries - including those by the U.S. State Department, Human Rights Watch, and the International Labor Organization - confirm that the international standards are not incorporated into the countries' labor laws and they do not enforce even their inadequate laws.

"Pursuant to congressional direction, the Department of Labor commissioned a study relating to labor laws in the region. This study could provide valuable information for the public and congressional debate over the CAFTA. Yet, despite the fact that the CAFTA is being signed tomorrow, the Administration has failed to respond to repeated requests to release the study. As a result, a FOIA request has been submitted to the Labor Department seeking the release of this study (see attached).

"As the region prepares for increased competition resulting from the expiration of global textiles and apparel quotas at the end of this year, the development of a more competitive integrated U.S.-Central American market was critical. This integrated market, however, cannot be built upon the suppression of workers. In fact, respect for the environment and for core, internationally-recognized labor standards could have been a key selling point for the region. The CAFTA negotiated for the Bush Administration will do little to help the textiles and apparel industries in the Central American countries or in the United States confront new competition after quotas expire."

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May 26, 2004

The Hon. Elaine Chao Secretary of Labor U.S. Department of Labor 200 Constitution Avenue, NW Washington, DC 20210

### Dear Secretary Chao:

I am writing to request records pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. § 552.

Several weeks ago, I wrote to you requesting the documents described below and we have been in touch with your office several times by phone. There has been no response to our requests for these documents. Later this week, the free trade agreement between the United States and five Central American countries (CAFTA) will be signed. Accordingly, I have reluctantly been forced to file this FOIA request to try to obtain the documents that are relevant to congressional consideration of this agreement.

The requested records concern the labor standards and practices of countries with which the United States has entered into or intends to enter into a trade or investment agreement, a matter of significant public interest as evidenced by numerous news accounts and high levels of congressional interest. In the Departments of Labor, Health and Human Services, Education and Related Agencies Appropriations Act of 2002, (Pub. L. No. 107—116), Congress appropriated \$5 million to the Department "to build its permanent capacity to monitor and report regularly and in-depth to the Congress on the extent to which foreign countries with trade and investment agreements with the United States respect internationally-recognized workers rights and effectively promote core labor standards."

I understand that at least one of the reports commissioned by the Department pursuant to this congressional direction relates to the Central American region. Yet, while the CAFTA agreement will be signed in just a few days, the Department has not yet released this report to Congress. The disclosure of documents is likely to contribute significantly

to the public and congressional consideration of the CAFTA and various other U.S. trade agreements.

Under FOIA, I am requesting copies of all reports commissioned by the Department of Labor (the "Department") since January 1, 2002 examining the labor laws and/or practices in countries with which the United States is negotiating or has negotiated trade and/or investment agreements. This request should be read broadly to include the following:

- All reports commissioned by the Department examining the labor laws and/or practices of countries with which the United States is negotiating or has negotiated trade and/or investment agreements (including any of the CAFTA countries); and
- 2) All documents transmitted with such reports.

In response to this request, please specify the following:

- 1) Whether you are providing all documents responsive to this request;
- 2) Whether you are claiming that some or all of those records are exempt from disclosure.

If it is your position that any of the requested documents is exempt from disclosure, please provide the nonexempt portions of those records.

In addition, if it is your position that responsive records exist but that those records (or portions of those records) are exempt from disclosure, please identify the withheld records and state the basis for the denial for each document being withheld. Also, please identify the person making the decision to deny the request.

Finally, I request that you waive all fees for locating and duplicating the requested records. If, however, a waiver is not granted, then please advise me of the amount of any proposed search and reproduction charges before those activities are carried out. Please respond to this letter in writing within 20 business days as required by FOIA. Thank you for your prompt attention to this request.

Since

Sander M. Levin, M.C.